

105TH CONGRESS
1ST SESSION

S. 1197

To reform the financing of Federal elections.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 18, 1997

Mrs. FEINSTEIN introduced the following bill; which was read twice and referred to the Committee on Rules and Administration

A BILL

To reform the financing of Federal elections.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Campaign Reform Act of 1997”.

6 (b) TABLE OF CONTENTS.—The table of contents of
7 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—BAN ON SOFT MONEY OF POLITICAL PARTY
COMMITTEES

Sec. 101. Soft money of political party committees.

Sec. 102. State party grassroots funds.

Sec. 103. Reporting requirements.

TITLE II—INDEPENDENT EXPENDITURES; SOFT MONEY

- Sec. 201. Express advocacy.
- Sec. 202. Reporting requirements for certain independent expenditures.
- Sec. 203. Soft money of persons other than political parties.

TITLE III—ENFORCEMENT

- Sec. 301. Filing of reports using computers and facsimile machines.
- Sec. 302. Audits.
- Sec. 303. Authority to seek injunction.
- Sec. 304. Reporting requirements for contributions of \$50 or more.
- Sec. 305. Increase in penalty for knowing and willful violations.
- Sec. 306. Prohibition of contributions by individuals not qualified to register to vote.
- Sec. 307. Use of candidates' names.
- Sec. 308. Prohibition of false representation to solicit contributions.
- Sec. 309. Expedited procedures.
- Sec. 310. Reference of suspected violation to the attorney general.

TITLE IV—MISCELLANEOUS

- Sec. 401. Contribution limits; indexing.
- Sec. 402. Use of contributed amounts for certain purposes.
- Sec. 403. Campaign advertising.
- Sec. 404. Limit on congressional use of the franking privilege.

TITLE V—CONSTITUTIONALITY; EFFECTIVE DATE; REGULATIONS

- Sec. 501. Severability.
- Sec. 502. Review of constitutional issues.
- Sec. 503. Effective date.
- Sec. 504. Regulations.

1 **TITLE I—BAN ON SOFT MONEY** 2 **OF POLITICAL PARTY COM-** 3 **MITTEES**

4 **SEC. 101. SOFT MONEY OF POLITICAL PARTY COMMITTEES.**

5 Title III of the Federal Election Campaign Act of
6 1971 (2 U.S.C. 431 et seq.) is amended by adding at the
7 end the following:

8 **“SEC. 324. SOFT MONEY OF PARTY COMMITTEES.**

9 **“(a) NATIONAL COMMITTEES.—**

10 **“(1) ALL CONTRIBUTIONS, DONATIONS, TRANS-**
11 **FERS, AND SPENDING TO BE SUBJECT TO THIS**

1 ACT.—A national committee of a political party (in-
2 cluding a national congressional campaign committee
3 of a political party), an entity that is directly or in-
4 directly established, financed, maintained, or con-
5 trolled by a national committee or its agent, an en-
6 tity acting on behalf of a national committee, and an
7 officer or agent acting on behalf of any such com-
8 mittee or entity (but not including an entity regu-
9 lated under subsection (b)) shall not solicit or re-
10 ceive any contributions, donations, or transfers of
11 funds, or spend any funds, that are not subject to
12 the limitations, prohibitions, and reporting require-
13 ments of this Act.

14 “(2) DONATION LIMIT.—In addition to the
15 amount of contributions that a person may make to
16 a national committee of a political party under sec-
17 tion 315, a person may make donations of anything
18 of value to a national committee of a political party
19 (including a national congressional campaign com-
20 mittee of a political party), an entity that is directly
21 or indirectly established, financed, maintained, or
22 controlled by a national committee or its agent, an
23 entity acting on behalf of a national committee, and
24 an officer or agent acting on behalf of any such
25 committee or entity (but not including an entity reg-

1 ulated under subsection (b)) in an aggregate amount
 2 not exceeding \$25,000 during the 24 months preced-
 3 ing the date of a general election for Federal office.

4 “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

5 “(1) IN GENERAL.—Any amount that is ex-
 6 pended or disbursed by a State, district, or local
 7 committee of a political party (including an entity
 8 that is directly or indirectly established, financed,
 9 maintained, or controlled by a State, district, or
 10 local committee of a political party and an officer or
 11 agent acting on behalf of any such committee or en-
 12 tity) during a calendar year in which a Federal elec-
 13 tion is held, for any activity that might affect the
 14 outcome of a Federal election, including any voter
 15 registration or get-out-the-vote activity, any generic
 16 campaign activity, and any communication that re-
 17 fers to a candidate (regardless of whether a can-
 18 didate for State or local office is also mentioned or
 19 identified) shall be made from funds subject to the
 20 limitations, prohibitions, and reporting requirements
 21 of this Act.

22 “(2) ACTIVITY EXCLUDED FROM PARAGRAPH
 23 (1).—

24 “(A) IN GENERAL.—Paragraph (1) shall
 25 not apply to an expenditure or disbursement

1 made by a State, district, or local committee of
2 a political party for—

3 “(i) a contribution to a candidate for
4 State or local office if the contribution is
5 not designated or otherwise earmarked to
6 pay for an activity described in paragraph
7 (1);

8 “(ii) the costs of a State, district, or
9 local political convention;

10 “(iii) the non-Federal share of a
11 State, district, or local party committee’s
12 administrative and overhead expenses (but
13 not including the compensation in any
14 month of any individual who spends more
15 than 20 percent of the individual’s time on
16 activity during the month that may affect
17 the outcome of a Federal election) except
18 that for purposes of this paragraph, the
19 non-Federal share of a party committee’s
20 administrative and overhead expenses shall
21 be determined by applying the ratio of the
22 non-Federal disbursements to the total
23 Federal expenditures and non-Federal dis-
24 bursements made by the committee during
25 the previous presidential election year to

1 the committee's administrative and over-
2 head expenses in the election year in ques-
3 tion;

4 “(iv) the costs of grassroots campaign
5 materials, including buttons, bumper stick-
6 ers, and yard signs that name or depict
7 only a candidate for State or local office;
8 and

9 “(v) the cost of any campaign activity
10 conducted solely on behalf of a clearly
11 identified candidate for State or local of-
12 fice, if the candidate activity is not an ac-
13 tivity described in paragraph (1).

14 “(B) FUNDRAISING COSTS.—Any amount
15 spent by a national, State, district, or local
16 committee, by an entity that is established, fi-
17 nanced, maintained, or controlled by a State,
18 district, or local committee of a political party,
19 or by an agent or officer of any such committee
20 or entity to raise funds that are used, in whole
21 or in part, to pay the costs of an activity de-
22 scribed in paragraph (1) shall be made from
23 funds subject to the limitations, prohibitions,
24 and reporting requirements of this Act.

1 “(c) TAX-EXEMPT ORGANIZATIONS.—A national,
 2 State, district, or local committee of a political party (in-
 3 cluding a national congressional campaign committee of
 4 a political party), an entity that is directly or indirectly
 5 established, financed, maintained, or controlled by any
 6 such national, State, district, or local committee or its
 7 agent, an agent acting on behalf of any such party com-
 8 mittee, and an officer or agent acting on behalf of any
 9 such party committee or entity), shall not solicit any funds
 10 for or make any donations to an organization that is ex-
 11 empt from Federal taxation under section 501(c) of the
 12 Internal Revenue Code of 1986.

13 “(d) CANDIDATES.—

14 “(1) IN GENERAL.—A candidate, individual
 15 holding Federal office, or agent of a candidate or in-
 16 dividual holding Federal office shall not—

17 “(A) solicit, receive, transfer, or spend
 18 funds in connection with an election for Federal
 19 office unless the funds are subject to the limita-
 20 tions, prohibitions, and reporting requirements
 21 of this Act;

22 “(B) solicit, receive, or transfer funds that
 23 are to be expended in connection with any elec-
 24 tion other than a Federal election unless the
 25 funds—

1 “(i) are not in excess of the amounts
 2 permitted with respect to contributions to
 3 candidates and political committees under
 4 section 315(a) (1) and (2); and

5 “(ii) are not from sources prohibited
 6 by this Act from making contributions with
 7 respect to an election for Federal office; or

8 “(C) solicit, receive, or transfer any funds
 9 on behalf of any person that are not subject to
 10 the limitations, prohibitions, and reporting re-
 11 quirements of the Act if the funds are for use
 12 in financing any campaign-related activity or
 13 any communication that refers to a clearly iden-
 14 tified candidate for Federal office.

15 “(2) EXCEPTION.—Paragraph (1) does not
 16 apply to the solicitation or receipt of funds by an in-
 17 dividual who is a candidate for a State or local office
 18 if the solicitation or receipt of funds is permitted
 19 under State law for the individual’s State or local
 20 campaign committee.”.

21 **SEC. 102. STATE PARTY GRASSROOTS FUNDS.**

22 (a) INDIVIDUAL CONTRIBUTIONS.—Section
 23 315(a)(1) of the Federal Election Campaign Act of 1971
 24 (2 U.S.C. 441a(a)(1)) is amended—

1 (1) in subparagraph (B) by striking “or” at the
2 end;

3 (2) by redesignating subparagraph (C) as sub-
4 paragraph (D); and

5 (3) by inserting after subparagraph (B) the fol-
6 lowing:

7 “(C) to—

8 “(i) a State Party Grassroots Fund estab-
9 lished and maintained by a State committee of
10 a political party in any calendar year which, in
11 the aggregate, exceed \$20,000;

12 “(ii) any other political committee estab-
13 lished and maintained by a State committee of
14 a political party in any calendar year which, in
15 the aggregate, exceed \$5,000;

16 except that the aggregate contributions described in
17 this subparagraph that may be made by a person to
18 the State Party Grassroots Fund and all committees
19 of a State Committee of a political party in any
20 State in any calendar year shall not exceed \$20,000;
21 or”.

22 (b) LIMITS.—

23 (1) IN GENERAL.—Section 315(a) of the Fed-
24 eral Election Campaign Act of 1971 (2 U.S.C.

1 441a(a)) is amended by striking paragraph (3) and
 2 inserting the following:

3 “(3) OVERALL LIMITS.—

4 “(A) INDIVIDUAL LIMIT.—No individual
 5 shall make contributions during any calendar
 6 year that, in the aggregate, exceed \$30,000.

7 “(B) CALENDAR YEAR.—No individual
 8 shall make contributions during any calendar
 9 year—

10 “(i) to all candidates and their au-
 11 thorized political committees that, in the
 12 aggregate, exceed \$25,000; or

13 “(ii) to all political committees estab-
 14 lished and maintained by State committees
 15 of a political party that, in the aggregate,
 16 exceed \$20,000.

17 “(C) NONELECTION YEARS.—For purposes
 18 of subparagraph (B)(i), any contribution made
 19 to a candidate or the candidate’s authorized po-
 20 litical committees in a year other than the cal-
 21 endar year in which the election is held with re-
 22 spect to which the contribution is made shall be
 23 treated as being made during the calendar year
 24 in which the election is held.”.

1 (c) DEFINITIONS.—Section 301 of the Federal Elec-
 2 tion Campaign Act of 1970 (2 U.S.C. 431) is amended
 3 by adding at the end the following:

4 “(20) GENERIC CAMPAIGN ACTIVITY.—The
 5 term ‘generic campaign activity’ means a campaign
 6 activity that promotes a political party and does not
 7 refer to any particular Federal or non-Federal can-
 8 didate.

9 “(21) STATE PARTY GRASSROOTS FUND.—The
 10 term ‘State Party Grassroots Fund’ means a sepa-
 11 rate segregated fund established and maintained by
 12 a State committee of a political party solely for pur-
 13 poses of making expenditures and other disburse-
 14 ments described in section 325(d).”.

15 (d) STATE PARTY GRASSROOTS FUNDS.—Title III of
 16 the Federal Election Campaign Act of 1971 (2 U.S.C. 431
 17 et seq.) (as amended by section 101) is amended by adding
 18 at the end the following:

19 **“SEC. 325. STATE PARTY GRASSROOTS FUNDS.**

20 “(a) DEFINITION.—In this section, the term ‘State
 21 or local candidate committee’ means a committee estab-
 22 lished, financed, maintained, or controlled by a candidate
 23 for other than Federal office.

24 “(b) TRANSFERS.—Notwithstanding section
 25 315(a)(4), no funds may be transferred by a State com-

1 mittee of a political party from its State Party Grassroots
 2 Fund to any other State Party Grassroots Fund or to any
 3 other political committee, except a transfer may be made
 4 to a district or local committee of the same political party
 5 in the same State if the district or local committee—

6 “(1) has established a separate segregated fund
 7 for the purposes described in subsection (d); and

8 “(2) uses the transferred funds solely for those
 9 purposes.

10 “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS
 11 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

12 “(1) IN GENERAL.—Any amount received by a
 13 State Party Grassroots Fund from a State or local
 14 candidate committee for expenditures described in
 15 subsection (d) that are for the benefit of that can-
 16 didate shall be treated as meeting the requirements
 17 of 324(b)(1) and section 304(e) if—

18 “(A) the amount is derived from funds
 19 which meet the requirements of this Act with
 20 respect to any limitation or prohibition as to
 21 source or dollar amount specified in section
 22 315(a) (1)(A) and (2)(A)(i); and

23 “(B) the State or local candidate commit-
 24 tee—

1 “(i) maintains, in the account from
2 which payment is made, records of the
3 sources and amounts of funds for purposes
4 of determining whether those requirements
5 are met; and

6 “(ii) certifies that the requirements
7 were met.

8 “(2) DETERMINATION OF COMPLIANCE.—For
9 purposes of paragraph (1)(A), in determining wheth-
10 er the funds transferred meet the requirements of
11 this Act described in paragraph (1)(A)—

12 “(A) a State or local candidate commit-
13 tee’s cash on hand shall be treated as consisting
14 of the funds most recently received by the com-
15 mittee; and

16 “(B) the committee must be able to dem-
17 onstrate that its cash on hand contains funds
18 meeting those requirements sufficient to cover
19 the transferred funds.

20 “(3) REPORTING.—Notwithstanding paragraph
21 (1), any State Party Grassroots Fund that receives
22 a transfer described in paragraph (1) from a State
23 or local candidate committee shall be required to
24 meet the reporting requirements of this Act, and
25 shall submit to the Commission all certifications re-

1 ceived, with respect to receipt of the transfer from
2 the candidate committee.

3 “(d) DISBURSEMENTS AND EXPENDITURES.—A
4 State committee of a political party may make disburse-
5 ments and expenditures from its State Party Grassroots
6 Fund only for—

7 “(1) any generic campaign activity;

8 “(2) payments described in clauses (v), (x), and
9 (xii) of paragraph (8)(B) and clauses (iv), (viii), and
10 (ix) of paragraph (9)(B) of section 301;

11 “(3) subject to the limitations of section
12 315(d), payments described in clause (xii) of para-
13 graph (8)(B), and clause (ix) of paragraph (9)(B),
14 of section 301 on behalf of candidates other than for
15 President and Vice President;

16 “(4) voter registration; and

17 “(5) development and maintenance of voter files
18 during an even-numbered calendar year.”.

19 **SEC. 103. REPORTING REQUIREMENTS.**

20 (a) REPORTING REQUIREMENTS.—Section 304 of the
21 Federal Election Campaign Act of 1971 (2 U.S.C. 434)
22 (as amended by section 202) is amended by adding at the
23 end the following:

24 “(e) POLITICAL COMMITTEES.—

1 “(1) NATIONAL AND CONGRESSIONAL POLITI-
2 CAL COMMITTEES.—The national committee of a po-
3 litical party, any congressional campaign committee
4 of a political party, and any subordinate committee
5 of either, shall report all receipts and disbursements
6 during the reporting period, whether or not in con-
7 nection with an election for Federal office.

8 “(2) OTHER POLITICAL COMMITTEES TO WHICH
9 SECTION 324 APPLIES.—A political committee (not
10 described in paragraph (1)) to which section
11 324(b)(1) applies shall report all receipts and dis-
12 bursements made for activities described in section
13 324(b) (1) and (2)(iii).

14 “(3) OTHER POLITICAL COMMITTEES.—Any po-
15 litical committee to which paragraph (1) or (2) does
16 not apply shall report any receipts or disbursements
17 that are used in connection with a Federal election.

18 “(4) ITEMIZATION.—If a political committee
19 has receipts or disbursements to which this sub-
20 section applies from any person aggregating in ex-
21 cess of \$200 for any calendar year, the political
22 committee shall separately itemize its reporting for
23 such person in the same manner as required in para-
24 graphs (3)(A), (5), and (6) of subsection (b).

1 “(5) REPORTING PERIODS.—Reports required to be
 2 filed under this subsection shall be filed for the same time
 3 periods required for political committees under
 4 subsection (a).”.

5 (b) BUILDING FUND EXCEPTION TO THE DEFINI-
 6 TION OF CONTRIBUTION.—Section 301(8) of the Federal
 7 Election Campaign Act of 1971 (2 U.S.C. 431(8)) is
 8 amended—

9 (1) by striking clause (viii); and

10 (2) by redesignating clauses (ix) through (xiv)
 11 as clauses (viii) through (xiii), respectively.

12 (c) REPORTS BY STATE COMMITTEES.—Section 304
 13 of the Federal Election Campaign Act of 1971 (2 U.S.C.
 14 434) (as amended by subsection (a)) is amended by adding
 15 at the end the following:

16 “(f) FILING OF STATE REPORTS.—In lieu of any re-
 17 port required to be filed by this Act, the Commission may
 18 allow a State committee of a political party to file with
 19 the Commission a report required to be filed under State
 20 law if the Commission determines such reports contain
 21 substantially the same information.”.

22 (d) OTHER REPORTING REQUIREMENTS.—

23 (1) AUTHORIZED COMMITTEES.—Section
 24 304(b)(4) of the Federal Election Campaign Act of
 25 1971 (2 U.S.C. 434(b)(4)) is amended—

1 (A) by striking “and” at the end of sub-
2 paragraph (H);

3 (B) by inserting “and” at the end of sub-
4 paragraph (I); and

5 (C) by adding at the end the following new
6 subparagraph:

7 “(J) in the case of an authorized commit-
8 tee, disbursements for the primary election, the
9 general election, and any other election in which
10 the candidate participates;”.

11 (2) NAMES AND ADDRESSES.—Section
12 304(b)(5)(A) of the Federal Election Campaign Act
13 of 1971 (2 U.S.C. 434(b)(5)(A)) is amended by in-
14 serting “, and the election to which the operating ex-
15 penditure relates” after “operating expenditure”.

16 **TITLE II—INDEPENDENT** 17 **EXPENDITURES; SOFT MONEY**

18 **SEC. 201. EXPRESS ADVOCACY.**

19 (a) DEFINITION OF EXPENDITURE.—Section
20 301(9)(A) of the Federal Election Campaign Act of 1971
21 (2 U.S.C. 431(9)(A)) is amended—

22 (1) by striking “and” at the end of clause (i);

23 (2) by striking the period at the end of clause

24 (ii) and inserting a semicolon; and

25 (3) by adding at the end the following:

“(iii) any payment during an election year (or in a nonelection year, during the period beginning on the date on which a vacancy for Federal office occurs and ending on the date of the special election for that office) for a communication that is made through any broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising by a national, State, district, or local committee of a political party, including a congressional campaign committee of a party, that refers to a clearly identified candidate; and

“(iv) any payment for a communication that contains express advocacy.”.

(b) DEFINITION OF INDEPENDENT EXPENDITURE.—

Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) is amended by striking paragraph (17) and inserting the following:

“(17) INDEPENDENT EXPENDITURE.—

“(A) IN GENERAL.—The term ‘independent expenditure’ means an expenditure that—

“(i) contains express advocacy; and

“(ii) is made without cooperation or consultation with any candidate, or any authorized committee or agent of such candidate, and which is not made in concert with, or at the request or suggestion of, any candidate, or any authorized committee or agent of such candidate.”.

(b) DEFINITION OF EXPRESS ADVOCACY.—Section 301 of the Federal Election Campaign Act of 1971 (2 U.S.C. 431) (as amended by section 102(c)) is amended by adding at the end the following:

“(22) EXPRESS ADVOCACY.—

“(A) IN GENERAL.—The term ‘express advocacy’ includes—

“(i) a communication that conveys a message that advocates the election or defeat of a clearly identified candidate for Federal office by using an expression such as ‘vote for,’ ‘elect,’ ‘support,’ ‘vote against,’ ‘defeat,’ ‘reject,’ ‘(name of candidate) for Congress,’ ‘vote pro-life,’ or ‘vote pro-choice,’ accompanied by a listing or picture of a clearly identified candidate described as ‘pro-life’ or ‘pro-choice,’ ‘re-

ject the incumbent’, or a similar expression;

“(ii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of \$10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of the candidate, and that is made within 60 days before the date of a primary election (and is targeted to the State in which the primary is occurring), or 60 days before a general election; or

“(iii) a communication that is made through a broadcast medium, newspaper, magazine, billboard, direct mail, or similar type of general public communication or political advertising that involves aggregate disbursements of \$10,000 or more, that refers to a clearly identified candidate, that a reasonable person would understand as advocating the election or defeat of a can-

1 didate, that is made before the date that is
2 30 days before the date of a primary elec-
3 tion, or 60 days before the date of a gen-
4 eral election, and that is made for the pur-
5 pose of advocating the election or defeat of
6 the candidate, as shown by 1 or more fac-
7 tors such as a statement or action by the
8 person making the communication, the
9 targeting or placement of the communica-
10 tion, or the use by the person making the
11 communication of polling, demographic, or
12 other similar data relating to the can-
13 didate’s campaign or election.

14 “(B) EXCLUSION.—The term ‘express ad-
15 vocacy’ does not include the publication or dis-
16 tribution of a communication that is limited
17 solely to providing information about the voting
18 record of elected officials on legislative matters
19 and that a reasonable person would not under-
20 stand as advocating the election or defeat of a
21 particular candidate.”.

22 **SEC. 202. REPORTING REQUIREMENTS FOR CERTAIN INDE-**
23 **PENDENT EXPENDITURES.**

24 Section 304(c) of the Federal Election Campaign Act
25 of 1971 (2 U.S.C. 434(c)) is amended—

1 (1) in paragraph (2), by striking the undesig-
 2 nated matter after subparagraph (C);

3 (2) by redesignating paragraph (3) as para-
 4 graph (7); and

5 (3) by inserting after paragraph (2), as amend-
 6 ed by paragraph (1), the following:

7 “(d) TIME FOR REPORTING CERTAIN EXPENDI-
 8 TURES.—

9 “(1) EXPENDITURES AGGREGATING \$1,000.—

10 “(A) INITIAL REPORT.—A person (includ-
 11 ing a political committee) that makes or obli-
 12 gates to make independent expenditures aggre-
 13 gating \$1,000 or more after the 20th day, but
 14 more than 24 hours, before an election shall file
 15 a report describing the expenditures within 24
 16 hours after that amount of independent expend-
 17 itures has been made.

18 “(B) ADDITIONAL REPORTS.—After a per-
 19 son files a report under subparagraph (A), the
 20 person shall file an additional report each time
 21 that independent expenditures aggregating an
 22 additional \$1,000 are made or obligated to be
 23 made with respect to the same election as that
 24 to which the initial report relates.

25 “(2) EXPENDITURES AGGREGATING \$10,000.—

“(A) INITIAL REPORT.—A person (including a political committee) that makes or obligates to make independent expenditures aggregating \$10,000 or more at any time up to and including the 20th day before an election shall file a report describing the expenditures within 48 hours after that amount of independent expenditures has been made or obligated to be made.

“(B) ADDITIONAL REPORTS.—After a person files a report under subparagraph (A), the person shall file an additional report each time that independent expenditures aggregating an additional \$10,000 are made or obligated to be made with respect to the same election as that to which the initial report relates.

“(3) PLACE OF FILING; CONTENTS.—A report under this subsection—

“(A) shall be filed with the Commission; and

“(B) shall contain the information required by subsection (b)(6)(B)(iii), including the name of each candidate whom an expenditure is intended to support or oppose.”.

1 **SEC. 203. SOFT MONEY OF PERSONS OTHER THAN POLITI-**
 2 **CAL PARTIES.**

3 Section 304 of the Federal Election Campaign Act
 4 of 1971 (2 U.S.C. 434) (as amended by section 103(e))
 5 is amended by adding at the end the following:

6 “(g) ELECTION ACTIVITY OF PERSONS OTHER THAN
 7 POLITICAL PARTIES.—

8 “(1) IN GENERAL.—A person other than a com-
 9 mittee of a political party that makes aggregate dis-
 10 bursements totaling in excess of \$10,000 for activi-
 11 ties described in paragraph (2) shall file a statement
 12 with the Commission—

13 “(A) within 48 hours after the disburse-
 14 ments are made; or

15 “(B) in the case of disbursements that are
 16 made within 20 days of an election, within 24
 17 hours after the disbursements are made.

18 “(2) ACTIVITY.—The activity described in this
 19 paragraph is—

20 “(A) any activity described in section
 21 316(b)(2)(A) that refers to any candidate for
 22 Federal office, any political party, or any Fed-
 23 eral election; and

24 “(B) any activity described in subpara-
 25 graph (B) or (C) of section 316(b)(2).

1 “(3) ADDITIONAL STATEMENTS.—An additional
2 statement shall be filed each time additional dis-
3 bursements aggregating \$10,000 are made by a per-
4 son described in paragraph (1).

5 “(4) APPLICABILITY.—This subsection does not
6 apply to—

7 “(A) a candidate or a candidate’s author-
8 ized committees; or

9 “(B) an independent expenditure.

10 “(5) CONTENTS.—A statement under this sec-
11 tion shall contain such information about the dis-
12 bursements as the Commission shall prescribe, in-
13 cluding—

14 “(A) the name and address of the person
15 or entity to whom the disbursement was made;

16 “(B) the amount and purpose of the dis-
17 bursement; and

18 “(C) if applicable, whether the disburse-
19 ment was in support of, or in opposition to, a
20 candidate or a political party, and the name of
21 the candidate or the political party.”.

TITLE III—ENFORCEMENT

SEC. 301. FILING OF REPORTS USING COMPUTERS AND FACSIMILE MACHINES.

Section 302(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 434(a)) is amended by striking paragraph (11) and inserting at the end the following:

“(11) FILING REPORTS.—

“(A) COMPUTER ACCESSIBILITY.—The Commission may prescribe regulations under which persons required to file designations, statements, and reports under this Act—

“(i) are required to maintain and file a designation, statement, or report for any calendar year in electronic form accessible by computers if the person has, or has reason to expect to have, aggregate contributions or expenditures in excess of a threshold amount determined by the Commission; and

“(ii) may maintain and file a designation, statement, or report in that manner if not required to do so under regulations prescribed under clause (i).

“(B) FACSIMILE MACHINE.—The Commission shall prescribe regulations which allow per-

sons to file designations, statements, and reports required by this Act through the use of facsimile machines.

“(C) VERIFICATION OF SIGNATURE.—In prescribing regulations under this paragraph, the Commission shall provide methods (other than requiring a signature on the document being filed) for verifying designations, statements, and reports covered by the regulations. Any document verified under any of the methods shall be treated for all purposes (including penalties for perjury) in the same manner as a document verified by signature.”.

SEC. 302. AUDITS.

(a) RANDOM AUDITS.—Section 311(b) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(b)) is amended—

(1) by inserting “(1)” before “The Commission”; and

(2) by adding at the end the following:

“(2) RANDOM AUDITS.—

“(A) IN GENERAL.—Notwithstanding paragraph (1), the Commission may conduct random audits and investigations to ensure voluntary compliance with this Act.

1 “(B) LIMITATION.—The Commission shall
 2 not conduct an audit or investigation of a can-
 3 didate’s authorized committee under subpara-
 4 graph (A) until the candidate is no longer a
 5 candidate for the office sought by the candidate
 6 in an election cycle.

7 “(C) APPLICABILITY.—This paragraph
 8 does not apply to an authorized committee of a
 9 candidate for President or Vice President sub-
 10 ject to audit under section 9007 or 9038 of the
 11 Internal Revenue Code of 1986.”.

12 (b) EXTENSION OF PERIOD DURING WHICH CAM-
 13 PAIGN AUDITS MAY BE BEGUN.—Section 311(b) of the
 14 Federal Election Campaign Act of 1971 (2 U.S.C. 438(b))
 15 is amended by striking “6 months” and inserting “12
 16 months”.

17 **SEC. 303. AUTHORITY TO SEEK INJUNCTION.**

18 Section 309(a) of the Federal Election Campaign Act
 19 of 1971 (2 U.S.C. 437g(a)) is amended—

20 (1) by adding at the end the following:

21 “(13) AUTHORITY TO SEEK INJUNCTION.—

22 “(A) IN GENERAL.—If, at any time in a pro-
 23 ceeding described in paragraph (1), (2), (3), or (4),
 24 the Commission believes that—

1 “(i) there is a substantial likelihood that a
2 violation of this Act is occurring or is about to
3 occur;

4 “(ii) the failure to act expeditiously will re-
5 sult in irreparable harm to a party affected by
6 the potential violation;

7 “(iii) expeditious action will not cause
8 undue harm or prejudice to the interests of oth-
9 ers; and

10 “(iv) the public interest would be best
11 served by the issuance of an injunction;

12 the Commission may initiate a civil action for a tem-
13 porary restraining order or a preliminary injunction
14 pending the outcome of the proceedings described in
15 paragraphs (1), (2), (3), and (4).

16 “(B) VENUE.—An action under subparagraph
17 (A) shall be brought in the United States district
18 court for the district in which the defendant resides,
19 transacts business, or may be found, or in which the
20 violation is occurring, has occurred, or is about to
21 occur.”;

22 (2) in paragraph (7), by striking “(5) or (6)”
23 and inserting “(5), (6), or (13)”; and

24 (3) in paragraph (11), by striking “(6)” and in-
25 serting “(6) or (13)”.

1 **SEC. 304. REPORTING REQUIREMENTS FOR CONTRIBU-**
 2 **TIONS OF \$50 OR MORE.**

3 Section 304(b)(3)(A) of the Federal Election Cam-
 4 paign Act at 1971 (2 U.S.C. 434(b)(3)(A)) is amended—

5 (1) by striking “\$200” and inserting “\$50”;
 6 and

7 (2) by striking the semicolon and inserting “,
 8 except that in the case of a person who makes con-
 9 tributions aggregating at least \$50 but not more
 10 than \$200 during the calendar year, the identifica-
 11 tion need include only the name and address of the
 12 person”.

13 **SEC. 305. INCREASE IN PENALTY FOR KNOWING AND WILL-**
 14 **FUL VIOLATIONS.**

15 Section 309(a)(5)(B) of the Federal Election Cam-
 16 paign Act of 1971 (2 U.S.C. 437g(a)(5)(B)) is amended
 17 by striking “the greater of \$10,000 or an amount equal
 18 to 200 percent” and inserting “the greater of \$15,000 or
 19 an amount equal to 300 percent”.

20 **SEC. 306. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**
 21 **UALS NOT QUALIFIED TO REGISTER TO VOTE.**

22 (a) PROHIBITION.—Section 319 of the Federal Elec-
 23 tion Campaign Act of 1971 (2 U.S.C. 441e) is amended—

24 (1) in the heading by adding “AND INDIVID-
 25 UALS NOT QUALIFIED TO REGISTER TO
 26 VOTE” at the end; and

1 (2) in subsection (a)—

2 (A) by striking “(a) It shall” and inserting
3 the following:

4 “(a) PROHIBITIONS.—

5 “(1) FOREIGN NATIONALS.—It shall”; and

6 (B) by adding at the end the following:

7 “(2) INDIVIDUALS NOT QUALIFIED TO REG-
8 ISTER TO VOTE.—It shall be unlawful for an individ-
9 ual who is not qualified to register to vote in a Fed-
10 eral election to make a contribution, or to promise
11 expressly or impliedly to make a contribution, in
12 connection with a Federal election; or for any person
13 to solicit, accept, or receive a contribution in connec-
14 tion with a Federal election from an individual who
15 is not qualified to register to vote in a Federal elec-
16 tion.”.

17 (b) INCLUSION IN DEFINITION OF IDENTIFICA-
18 TION.—Section 301(13) of the Federal Election Campaign
19 Act of 1971 (2 U.S.C. 431(13)) is amended—

20 (1) in subparagraph (A)—

21 (A) by striking “and” the first place it ap-
22 pears; and

23 (B) by inserting “, and an affirmation that
24 the individual is an individual who is not pro-

1 hibited by section 319 from making a contribu-
 2 tion” after “employer”; and

3 (2) in subparagraph (B) by inserting “and an
 4 affirmation that the person is a person that is not
 5 prohibited by section 319 from making a contribu-
 6 tion” after “such person”.

7 **SEC. 307. USE OF CANDIDATES’ NAMES.**

8 Section 302(e) of the Federal Election Campaign Act
 9 of 1971 (2 U.S.C. 432(e)) is amended by striking para-
 10 graph (4) and inserting the following:

11 “(4)(A) The name of each authorized commit-
 12 tee shall include the name of the candidate who au-
 13 thorized the committee under paragraph (1).

14 “(B) A political committee that is not an au-
 15 thorized committee shall not—

16 “(i) include the name of any can-
 17 didate in its name, or

18 “(ii) except in the case of a national,
 19 State, or local party committee, use the
 20 name of any candidate in any activity on
 21 behalf of such committee in such a context
 22 as to suggest that the committee is an au-
 23 thorized committee of the candidate or
 24 that the use of the candidate’s name has
 25 been authorized by the candidate.”.

1 **SEC. 308. PROHIBITION OF FALSE REPRESENTATION TO**
 2 **SOLICIT CONTRIBUTIONS.**

3 Section 322 of the Federal Election Campaign Act
 4 of 1971 (2 U.S.C. 441h) is amended—

5 (1) by inserting after “SEC. 322.” the follow-
 6 ing: “(a)”; and

7 (2) by adding at the end the following:

8 “(b) No person shall solicit contributions by falsely
 9 representing himself as a candidate or as a representative
 10 of a candidate, a political committee, or a political party.”.

11 **SEC. 309. EXPEDITED PROCEDURES.**

12 Section 309(a) of the Federal Election Campaign Act
 13 of 1971 (2 U.S.C. 437g(a)) (as amended by section 303)
 14 is amended by adding at the end the following:

15 “(14)(A) If the complaint in a proceeding was
 16 filed within 60 days immediately preceding a general
 17 election, the Commission may take action described
 18 in this subparagraph.

19 “(B) If the Commission determines, on the
 20 basis of facts alleged in the complaint and other
 21 facts available to the Commission, that there is clear
 22 and convincing evidence that a violation of this Act
 23 has occurred, is occurring, or is about to occur and
 24 it appears that the requirements for relief stated in
 25 paragraph (13)(A) (ii), (iii), and (iv) are met, the
 26 Commission may—

1 “(i) order expedited proceedings, shorten-
2 ing the time periods for proceedings under
3 paragraphs (1), (2), (3), and (4) as necessary
4 to allow the matter to be resolved in sufficient
5 time before the election to avoid harm or preju-
6 dice to the interests of the parties; or

7 “(ii) if the Commission determines that
8 there is insufficient time to conduct proceedings
9 before the election, immediately seek relief
10 under paragraph (13)(A).

11 “(C) If the Commission determines, on the
12 basis of facts alleged in the complaint and other
13 facts available to the Commission, that the com-
14 plaint is clearly without merit, the Commission
15 may—

16 “(i) order expedited proceedings, shorten-
17 ing the time periods for proceedings under
18 paragraphs (1), (2), (3), and (4) as necessary
19 to allow the matter to be resolved in sufficient
20 time before the election to avoid harm or preju-
21 dice to the interests of the parties; or

22 “(ii) if the Commission determines that
23 there is insufficient time to conduct proceedings
24 before the election, summarily dismiss the com-
25 plaint.”.

1 **SEC. 310. REFERENCE OF SUSPECTED VIOLATION TO THE**
 2 **ATTORNEY GENERAL.**

3 Section 309(a)(5) of Federal Election Campaign Act
 4 of 1971 (2 U.S.C. 437g(a)) is amended by striking sub-
 5 paragraph (C) and inserting the following:

6 “(C) REFERRAL TO THE ATTORNEY GEN-
 7 ERAL.—The Commission may at any time, by
 8 an affirmative vote of 4 of its members, refer
 9 a possible violation of this Act or chapter 95 or
 10 96 of the Internal Revenue Code of 1986 to the
 11 Attorney General of the United States, without
 12 regard to any limitations set forth in this sec-
 13 tion.”.

14 **TITLE IV—MISCELLANEOUS**

15 **SEC. 401. CONTRIBUTION LIMITS; INDEXING.**

16 (a) INCREASE IN CANDIDATE CONTRIBUTION
 17 LIMIT.—Section 315(a)(1)(A) of the Federal Election
 18 Campaign Act of 1971 (2 U.S.C. 441a(a)(1)(A)) is
 19 amended by striking “\$1,000” and inserting “\$2,000”.

20 (b) INDEXING OF CANDIDATE CONTRIBUTION
 21 LIMIT.—Section 315(c) of the Federal Election Campaign
 22 Act of 1971 (2 U.S.C. 441a(c)) is amended—

23 (1) in the second sentence of paragraph (1), by
 24 striking “subsection (b) and subsection (d)” and in-
 25 serting “subsections (a)(1)(A), (b), and (d)”; and

1 (2) in paragraph (2)(B), by striking “means the
 2 calendar year 1974.” and inserting “means—
 3 “(i) for purposes of subsections (b) and
 4 (d), calendar year 1974; and
 5 “(ii) for purposes of subsection (a)(1)(A),
 6 calendar year 1997.”.

7 **SEC. 402. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**
 8 **PURPOSES.**

9 Title III of the Federal Election Campaign Act of
 10 1971 (2 U.S.C. 431 et seq.) is amended by striking section
 11 313 and inserting the following:

12 **“SEC. 313. USE OF CONTRIBUTED AMOUNTS FOR CERTAIN**
 13 **PURPOSES.**

14 “(a) PERMITTED USES.—A contribution accepted by
 15 a candidate, and any other amount received by an individ-
 16 ual as support for activities of the individual as a holder
 17 of Federal office, may be used by the candidate or individ-
 18 ual—

19 “(1) for expenditures in connection with the
 20 campaign for Federal office of the candidate or indi-
 21 vidual;

22 “(2) for ordinary and necessary expenses in-
 23 curred in connection with duties of the individual as
 24 a holder of Federal office;

1 “(3) for contributions to an organization de-
 2 scribed in section 170(c) of the Internal Revenue
 3 Code of 1986; or

4 “(4) for transfers to a national, State, or local
 5 committee of a political party.

6 “(b) PROHIBITED USE.—

7 “(1) IN GENERAL.—A contribution or amount
 8 described in subsection (a) shall not be converted by
 9 any person to personal use.

10 “(2) CONVERSION TO PERSONAL USE.—For the
 11 purposes of paragraph (1), a contribution or amount
 12 shall be considered to be converted to personal use
 13 if the contribution or amount is used to fulfill any
 14 commitment, obligation, or expense of a person that
 15 would exist irrespective of the candidate’s election
 16 campaign or individual’s duties as a holder of Fed-
 17 eral officeholder, including—

18 “(A) a home mortgage, rent, or utility pay-
 19 ment;

20 “(B) a clothing purchase;

21 “(C) a noncampaign-related automobile ex-
 22 pense;

23 “(D) a country club membership;

24 “(E) a vacation or other noncampaign-re-
 25 lated trip;

1 “(F) a household food item;

2 “(G) a tuition payment;

3 “(H) admission to a sporting event, con-
4 cert, theater, or other form of entertainment
5 not associated with an election campaign; and

6 “(G) dues, fees, and other payments to a
7 health club or recreational facility.”.

8 **SEC. 403. CAMPAIGN ADVERTISING.**

9 Section 318 of the Federal Election Campaign Act
10 of 1971 (2 U.S.C. 441d) is amended—

11 (1) in subsection (a)—

12 (A) in the matter preceding paragraph

13 (1)—

14 (i) by striking “Whenever” and insert-
15 ing “Whenever a political committee makes
16 a disbursement for the purpose of financ-
17 ing any communication through any broad-
18 casting station, newspaper, magazine, out-
19 door advertising facility, mailing, or any
20 other type of general public political adver-
21 tising, or whenever”;

22 (ii) by striking “an expenditure” and
23 inserting “a disbursement”; and

24 (iii) by striking “direct”; and

1 (B) in paragraph (3), by inserting “and
2 permanent street address” after “name”; and

3 (2) by adding at the end the following:

4 “(c) Any printed communication described in sub-
5 section (a) shall be—

6 “(1) of sufficient type size to be clearly read-
7 able by the recipient of the communication;

8 “(2) contained in a printed box set apart from
9 the other contents of the communication; and

10 “(3) consist of a reasonable degree of color con-
11 trast between the background and the printed state-
12 ment.

13 “(d)(1) Any broadcast or cablecast communication
14 described in subsection (a)(1) or subsection (a)(2) shall
15 include, in addition to the requirements of those sub-
16 sections, an audio statement by the candidate that identi-
17 fies the candidate and states that the candidate has ap-
18 proved the communication.

19 “(2) If a broadcast or cablecast communication de-
20 scribed in paragraph (1) is broadcast or cablecast by
21 means of television, the communication shall include, in
22 addition to the audio statement under paragraph (1), a
23 written statement which—

24 “(A) appears at the end of the communication
25 in a clearly readable manner with a reasonable de-

1 gree of color contrast between the background and
 2 the printed statement, for a period of at least 4 sec-
 3 onds; and

4 “(B) is accompanied by a clearly identifiable
 5 photographic or similar image of the candidate.

6 “(e) Any broadcast or cablecast communication de-
 7 scribed in subsection (a)(3) shall include, in addition to
 8 the requirements of those subsections, in a clearly spoken
 9 manner, the following statement: ‘_____ is
 10 responsible for the content of this advertisement.’ (with
 11 the blank to be filled in with the name of the political
 12 committee or other person paying for the communication
 13 and the name of any connected organization of the payor).
 14 If broadcast or cablecast by means of television, the state-
 15 ment shall also appear in a clearly readable manner with
 16 a reasonable degree of color contrast between the back-
 17 ground and the printed statement, for a period of at least
 18 4 seconds.”.

19 **SEC. 404. LIMIT ON CONGRESSIONAL USE OF THE FRANK-**
 20 **ING PRIVILEGE.**

21 Section 3210(a)(6)(A) of title 39, United States
 22 Code, is amended to read as follows:

23 “(A) A Member of Congress shall not mail
 24 any mass mailing as franked mail during a year
 25 in which there will be an election for the seat

1 held by the Member during the period between
2 January 1 of that year and the date of the gen-
3 eral election for that Office, unless the Member
4 has made a public announcement that the
5 Member will not be a candidate for reelection to
6 that year or for election to any other Federal
7 office.”.

8 **TITLE V—CONSTITUTIONALITY;** 9 **EFFECTIVE DATE; REGULATIONS**

10 **SEC. 501. SEVERABILITY.**

11 If any provision of this Act or amendment made by
12 this Act, or the application of a provision or amendment
13 to any person or circumstance, is held to be unconstitu-
14 tional, the remainder of this Act and amendments made
15 by this Act, and the application of the provisions and
16 amendment to any person or circumstance, shall not be
17 affected by the holding.

18 **SEC. 502. REVIEW OF CONSTITUTIONAL ISSUES.**

19 An appeal may be taken directly to the Supreme
20 Court of the United States from any final judgment, de-
21 cree, or order issued by any court ruling on the constitu-
22 tionality of any provision of this Act or amendment made
23 by this Act.

1 **SEC. 503. EFFECTIVE DATE.**

2 Except as otherwise provided in this Act, this Act and
3 the amendments made by this Act take effect on the date
4 that is 60 days after the date of enactment of this Act.

5 **SEC. 504. REGULATIONS.**

6 The Federal Election Commission shall prescribe any
7 regulations required to carry out this Act and the amend-
8 ments made by this Act not later than 270 days after the
9 effective date of this Act.

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